LIBRARY
SUPREME COURT, U. S.

Supreme Court, U. S.
FILED
OCT 12 1973
MICHAEL RODAK, JR., CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1973

NO. 73-644

ALLEN-BRADLEY COMPANY,
BECKMAN INSTRUMENTS, INC.,
THE BUNKER-RAMO CORPORATION,
FAIRCHILD CAMERA & INSTRUMENT CORP.,
TRW INC., and
WESTON INSTRUMENTS, INC.,

Petitioners

v.

BOURNS, INC. and MARLAN E. BOURNS,

Respondents

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT AND APPENDIX

Of Counsel
MASON, KOLEHMAINEN,
RATHBURN & WYSS
20 North Wacker Drive
Chicago, Illinois 60606

RICHARD D. MASON
REGINALD K. BAILEY
CLEMENS HUFMANN
20 North Wacker Drive
Chicago, Illinois 60606
Attorneys for Petitioner Beckman Instruments, Inc.

DONALD J. SIMPSON
LEWIS T. STEADMAN
HILL, SHERMAN, MERONI, GROSS & SIMPSON
53 West Jackson Boulevard
Chicago, Illinois 60604
Attorneys for Petitioners TRW Inc., Bunker-Ramo Corporation, Weston Instruments, Inc., and Fairchild Camera & Instrument Corp.

Of Counsel
ARTHUR H. SEIDEL
QUARLES, HERRIOT, CLEMONS,
TESCHNER & NOELKE
780 N. Water Street
Milwaukee, Wisconsin 53202

ROLF O. STADHEIM
HAIGHT, HOFELDT & DAVIS
141 West Jackson Boulevard
Chicago, Illinois 60604
Attorneys for Petitioner Allen-Bradley Company

TWENTIETH CENTURY PRESS, CHICAGO 60606

TABLE OF CONTENTS

PETITION

	PAGE
Opinions Below	2
Jurisdiction	2
Questions Presented	3
Statement of the Case	3
Reasons for Granting the Writ	7
Conclusion	18

APPENDIX

	PAGE
Bourns, Inc. and Marlan E. Bourns v. *Allen-Bradley Co.*, 480 F.2d 123 (7th Cir. 1973)	A1
Bourns, Inc. and Marlan E. Bourns v. *Allen-Bradley Co.*, 348 F. Supp. 554 (N.D. Ill. 1972)	A17
Bourns, Inc. and Marlan E. Bourns v. *Dale Electronics, Inc.*, 308 F. Supp. 501 (D. Neb. 1969)	A23
Certified Judgment of the District Court of the Southern District of Iowa dated June 26, 1969 in *The University of Illinois Foundation* v. *Winegard Company*, No. 3-695-D	A56
Certified Judgment of the Eighth Circuit Court of Appeals dated September 30, 1968 in *University of Illinois Foundation* v. *Winegard Company*, Appeal No. 1900	A57
Opinion of the Seventh Circuit Court of Appeals in *Technograph Printed Circuits, Ltd.* v. *Methode Electronics, Inc.*, Nos. 72-1741, 72-1742, 72-1743, 72-1744, 72-1745 (Aug. 27, 1973)	A59
U.S. Constitution, Art. I, Sec. 8, Clause 8	A68
28 USC Sec. 1254(1)	A68
35 USC Sec. 101	A68

PAGE

35 USC Sec. 121 ..... A68

35 USC Sec. 253 ..... A69

35 USC Sec. 282 par. 1 ..... A69

35 USC Sec. 288 ..... A70

Rule 141, Rules of Practice in Patent Cases A70

Rule 142, Rules of Practice in Patent Cases A70

Manual of Patent Examining Procedure (3rd ed. rev. April 1973) Sec. 706.03(1) par. 1 ..... A71

TABLE OF CASES CITED

Allegheny Steel & Brass Corp. v. *Elting*, 141 F.2d 148 (7th Cir. 1944) 18

Altvater v. *Freeman*, 319 U.S. 359, 63 S. Ct. 1115 (1943) 15, 18

Blonder-Tongue Labs., Inc. v. *Univ. of Illinois Foundation*, 402 U.S. 313, 91 S.Ct. 1434 (1971), *remanding*, 422 F.2d 769 (7th Cir. 1970), *on remand*, 465 F.2d 380 (7th Cir. 1972), *affirming per curiam*, 334 F. Supp. 47 (N.D. Ill. 1971), *cert. den.*, 93 S.Ct. 559 (1972) 2, 3, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 18

Blumcraft of Pittsburgh v. *Architectural Art. Mfg., Inc.*, 337 F. Supp. 853 (D. Kan. 1972), *aff'd per curiam*, 459 F.2d 482 (10th Cir. 1972) 9, 10, 13, 17

Blumcraft of Pittsburgh v. *Kawneer*, 178 USPQ 513 (5th Cir. 1973) 7

Bourns, Inc. v. *Allen-Bradley Co.*, 480 F.2d 123 (7th Cir. 1973) 2

Bourns, Inc. v. *Allen-Bradley Co.*, 348 F. Supp. 554 (N.D. Ill. 1971) 2, 3

Bourns, Inc. v. *Dale Electronics, Inc.*, 308 F. Supp. 501 (D. Neb. 1969) 2, 4, 5, 6, 7, 13, 15, 16, 18

Bresnick v. *United States Vitamin Corp.*, 139 F.2d 239 (2nd Cir. 1943) 17

In re Flint, 411 F.2d 1353 (CCPA 1969) 16

PAGE

Hale v. *General Motors Corp.*, 147 F.2d 383 (1st Cir. 1945) 17

Illinois Tool Works, Inc. v. *Brunsing*, 378 F.2d 234 (9th Cir. 1967) 18

Kalo Inoculant Co. v. *Funk Bros. Seed Co.*, 161 F.2d 981 (7th Cir. 1947), *rev'd on other grounds*, 333 U.S. 127, 68 S.Ct. 440 (1948) 18

Kawneer v. *Pittsburgh Plate Glass Co.*, 103 F. Supp. 671 (W.D. Mich. 1952) 18

M.O.S. Corp. v. *John I. Haas Co.*, 375 F.2d 614 (9th Cir. 1967) 17

Shatterproof Glass Corp. v. *Guardian Glass Co.*, 462 F.2d 1115 (6th Cir. 1972) 17

Sinclair & Carroll Co. v. *Interchemical Corp.*, 325 U.S. 327, 65 S.Ct. 1143 (1945) 15, 17

Sterling Aluminum Prods., Inc. v. *Bohn Aluminum & Brass Corp.*, 298 F.2d 538 (6th Cir. 1962) 18

Technograph Printed Circuits, Ltd. v. *Bendix Aviation Corp.*, 218 F. Supp. 1 (D. Md. 1963), *aff'd* 327 F.2d 497 (4th Cir. 1964), *cert. den.* 379 U.S. 826, 85 S.Ct. 53 (1964) 10

Technograph Printed Circuits, Ltd. v. *Martin-Marietta Corp.*, 474 F.2d 798 (4th Cir. 1973) 3, 8, 11

Technograph Printed Circuits, Ltd. v. *Methode Electronics, Inc.*, (7th Cir. 1973), *affirming*, 174 USPQ 297 (1972) 12

Technograph Printed Circuits, Ltd. v. *Packard Bell Electronics Corp.*, 290 F. Supp. 308 (C.D. Cal. 1968) 9, 11

Univ. of Illinois Foundation v. *Winegard Co.*, 271 F. Supp. 412 (S.D. Iowa 1967), *aff'd.*, 402 F.2d 125 (8th Cir. 1968), *cert. den.*, 394 U.S. 917, 89 S.Ct. 1191 (1969) 9, 10, 16

Young v. *John McShain, Inc.*, 130 F.2d 31 (4th Cir. 1942) 18

IN THE

Supreme Court of the United States

OCTOBER TERM, 1973

NO.

ALLEN-BRADLEY COMPANY,
BECKMAN INSTRUMENTS, INC.,
THE BUNKER-RAMO CORPORATION,
FAIRCHILD CAMERA & INSTRUMENT CORP.,
TRW INC., and
WESTON INSTRUMENTS, INC.,

Petitioners

v.

BOURNS, INC. and MARLAN E. BOURNS,

Respondents

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT AND APPENDIX

Petitioner, Beckman Instruments, Inc., prays that a writ of certiorari issue to review the decision of the United States Court of Appeals for the Seventh Circuit, entered June 14, 1973.

Petitioner, Beckman Instruments, Inc., files this petition on its own behalf and as a representative Defendant. Petitioners Allen-Bradley Company, The Bunker-Ramo Corporation, Fairchild Camera & Instrument Corp., TRW Inc. and Weston Instruments, Inc. concur in this petition.

OPINIONS BELOW

The opinion of the Seventh Circuit (A1)[1] with respect to which review is sought is reported at 480 F2d 123 (7th Cir. 1973).

The district court's decision (A17) from which the appeal was taken is reported at 348 F.Supp. 554 (N.D. Ill. 1971).

Petitioners' defense of *Blonder-Tongue*[2] estoppel is based on the opinion in *Bourns, Inc.* v. *Dale Electronics, Inc.*, 308 F.Supp. 501 (D. Neb. 1969) (A23) and on the judgment (App 86) in that case.

JURISDICTION

Jurisdiction is based on 28 USC Sec. 1254(1). The decision of the Court of Appeals sought to be reviewed was entered June 14, 1973. Plaintiff's timely petition for rehearing was denied July 17, 1973. Federal subject matter jurisdiction derives from 28 USC 1338(a).

---

[1] "A" refers to the pagination of the appendix which forms part of this petition. "App" refers to the pagination of the appendix in the Court of Appeals for the Seventh Circuit in Appeals Nos. 72-1222 and 72-1223.

"Ex p." refers to the page of the book of exhibits in the Court of Appeals for the Seventh Circuit in Appeals Nos. 72-1222 and 72-1223.

[2] *Blonder-Tongue Labs., Inc.* v. *Univ. of Illinois Foundation*, 402 U.S. 313, 91 S.Ct. 1434 (1971), *remanding*, 422 F2d 769 (7th Cir. 1970), *on remand*, 465 F2d 380 (7th Cir. 1972), *affirming per curiam* 334 F.Supp. 47 (N.D. Ill. 1971), *cert. den.* 93 S.Ct. 559 (1972), hereinafter referred to as *Blonder-Tongue*.

QUESTIONS PRESENTED[1]

1. In a patent infringement action should the scope of the estoppel resulting from a prior decision adverse to the patentee be limited by the narrow technicalities of the common law doctrine of collateral estoppel in accordance with the Seventh Circuit's ruling in this case, or should the *Blonder-Tongue* estoppel rule have a broader scope as declared by the Fourth and Tenth Circuits, two other rulings of the Seventh Circuit, and the rulings of the District Court below and the District Court for the Central District of California?

2. Under *Blonder-Tongue* does the owner of a patent have the right to try as many patent infringement actions as there are claims in the patent, even though the patent owner had previously lost a patent infringement action in which all of the patent claims had been put in issue, none had been held valid and none had been reserved for future adjudication?

STATEMENT OF THE CASE

On January 15, 1957, U.S. Patent No. 2,777,926 entitled "Variable Resistor" and containing 21 claims was issued to Marlan E. Bourns,[2] the individual Plaintiff in this litigation. Plaintiffs promptly charged many of their competitors with infringement of this patent and eventually instituted seven actions for infringement of the '926 patent. Five of these actions were dismissed on terms satisfactory to Bourns (App. 64-68). One of the two remaining actions, namely *Bourns, Inc.* v. *Dale Electronics, Inc.*, 308 F.Supp.

---

[1] The questions here presented deal with the same legal problems posed in questions 1 and 2 of the Petition for a Writ of Certiorari in *Technograph Printed Circuits Ltd.* v. *Martin-Marrietta Corp.*, No. 73-147 October Term 1973.

[2] This patent is reproduced at Ex. pp. 1-6 and will hereinafter be referred to as the '926 patent.

501 (D. Neb. 1969), was tried and decided with finality against the plaintiffs (A23).

The *Dale* litigation commenced in 1962 and put the validity of the entire '926 patent in issue by complaint (Ex p. 149), answer and counterclaim (Ex p. 160). On May 29, 1967, after many years of pretrial discovery, the parties filed amended pleadings which re-asserted that the validity of all claims of the '926 patent were in issue (Ex pp. 173, 179, 126). In the *Dale* trial the evidence included 610 pages of transcript and 522 exhibits. Bourns testified that ". . . all those potentiometers [including those made by petitioners] utilize the basic construction of the '926 patent . . ." (Ex p. 190). The opinion of Judge Robinson, the trial judge, states *inter alia:*

> ". . . the statements of the inventor himself should further show beyond doubt that *the device*[1] was not patentable." (A29)
>
> "Plaintiff relies upon claims 1, 2, 11, 14, 15, 16 and 20 of the '926 patent. Defendant's primary thrust centers upon the *validity of the '926 patent.* Defendant's contention, among others, is that *this patent is obvious.*" (A25)
>
> "In determining the *validity of the patent* this Court must ascertain the essence and *scope of the patent* as stated in the above mentioned claims." (A25)
>
> "The first question is then, what is the *essence of the patent.*" (A26)
>
> "From a reading of the allowed claims and the history of the patent as it passed through the Patent Office it seems apparent that *the mounting holes are the elements* [*excepting claim 16*] *of the patent which the Patent Examiner believed to be the essential feature. . . .*" (A28)

[1] Throughout this petition emphasis is added, unless otherwise indicated.

> "This Court believes both interpretations require a decision *rendering the patent invalid.*" (A28)
>
> "Once having reached a conceptual rather than a mathematical formula type understanding of the nature of the patent, . . . *this patent could not be declared valid.*" (A33)
>
> "There is therefore no validity to claim 16 and *the '926 patent is held to be invalid.*" (A34)

The final decree in *Dale* reads in part as follows: (App 86)

> "2. Claims 1, 2, 11, 14, 15, 16 and 20 of the United States Patent No. 2,777,926 are invalid."
>
> "7. The Amended Complaint is dismissed with prejudice, and the Amended Counterclaim is sustained to the extent indicated."

Plaintiff's seventh litigation on the '926 patent, C.A. No. 70-C-1992 in the Northern District of Illinois was instituted under 28 USC 1338(a) on August 11, 1970 as a class action naming petitioner and five other corporations as representative defendants. No class action order has yet been entered. The complaint alleged infringement of the '926 patent without specifying particular patent claims (App 4). Petitioner Beckman answered on November 4th, 1970 that the entire patent was invalid (App 9) and further alleged in paragraph 30:

> "Plaintiffs are barred and estopped from prosecuting this action under the principles of res judicata and estoppel by judgment because U.S. Patent No. 2,777,926 has been held invalid after a full trial on the merits in a final decision as a result of a patent infringement action instituted by Plaintiffs, said final decision being reported as *Bourns, Inc. and Marlan E. Bourns* v. *Dale Electronics, Inc.*, 308 F.Supp. 501 (D. Neb. 1969)."[1]

---

[1] The other petitioners added an estoppel defense to their pleadings on May 28, 1971 (App. 30).

On May 3, 1971 this Court decided *Blonder-Tongue*. In June and July 1971 petitioners filed their motions for summary judgment based on *Blonder-Tongue*. Plaintiffs opposed this motion in its entirety and submitted a comprehensive brief and affidavits (App 90-149). Plaintiffs did not oppose the summary judgment motion on the ground that the '926 patent disclosed any inventive concept which was not adjudicated in the *Dale* litigation.

Summary judgment was granted in an opinion which emphasized the comprehensiveness of the patent validity issue pleaded and tried in the *Dale* case as shown by the following excerpts (A19,20):

> "Among other things, the court's decision [in the Dale case] says with respect to Patent No. 2,777,926: '. . . the '926 patent is held to be invalid.' 308 F.Supp. at 507.
>
> The pleadings in the Nebraska suit demonstrate that both the plaintiffs and the defendant were litigating the validity of the patent, not merely part of it. . . ."
>
> ". . . they [Plaintiffs in the present action] have never amended their complaint to allege that they were relying on the validity of those claims not specified by the Nebraska court. We conclude that the Nebraska judgment order is explained by the same procedures as explains this particular defense raised by the plaintiffs: the court was referring to the claims alleged to be infringed by a defendant's product but had no intention of changing its decision of invalidity."

Plaintiffs appealed from the summary judgment. With respect to the 14 claims of the '926 patent not expressly invalidated by the decree in the *Dale* case the appeal succeeded for two reasons. Firstly, the Seventh Circuit applied what it regarded as the strict common law requirements of collateral estoppel as follows (A3):

> ". . . As Professor Moore teaches:

> [A prior judgment] operates as a collateral estoppel as to, but only as to, those matters or points which were in issue or controverted *and upon the determination of which the initial judgment necessarily depended.* 1B Moore's Federal Practice 3777 (2d. ed. 1965) . . ." (Parenthesis and emphasis by Seventh Circuit)

Secondly, the Seventh Circuit interpreted the opinion in the *Dale* case by focusing on the statement therein that "Plaintiff relies upon claims 1, 2, 11, 14, 15, 16 and 20" (A2,3). From this and three other fairly similar statements in the *Dale* opinion the Seventh Circuit concluded (A3):

> ". . . that where the court [for the District of Nebraska] referred to the '926 patent as being invalid, it was referring only to those claims specifically designated at the outset and restated in the final judgment."

REASONS FOR GRANTING THE WRIT

Question 1

In *Blonder-Tongue* this Court concluded (402 U.S. 334, 91 S.Ct. 1445) that the patentee should be estopped if he "had a full and fair chance to litigate the validity of his patent in an earlier case." *Blonder-Tongue's* objective of preventing the "misallocation of resources" (402 U.S. 330, 91 S.Ct. 1443) by reducing the number of trials involving the same patent was paraphrased as follows in *Blumcraft of Pittsburgh* v. *Kawneer,* 178 USPQ 513 (5th Cir. 1973):

> *"Blonder-Tongue did not throw merely a jab at the multiplicity of patent litigation; rather, it intended a knockout blow* through the doctrine of collateral estoppel so that any time a patent was found invalid in a fair fight with a knowledgeable referee, the courts could count ten and the patent holder could no longer maintain that he was champion . . ."

> "If litigation were costless, both to the litigants and to society, it might be desirable never to allow collateral estoppel to preclude a new lawsuit. But as with most mortal endeavors, litigation is not so blessed. Collateral estoppel is a rule of response and as such it is not always pure or just or even cognitive. Efficiency and economy in judicial administration have their places in our judicial schema. *Blonder-Tongue* does require as a condition precedent to its invocation at least one round of pristine purity. In our case we cannot say that such an encounter has not taken place. Blumcraft had a full and fair opportunity to litigate the validity of its patent in a forum of its own choosing, and the patent was declared invalid. Under both the letter and spirit of the Supreme Court's ruling in *Blonder-Tongue,* the district court was correct in applying collateral estoppel and in granting defendant's motion for summary judgment."

The opinion sought to be reviewed reduces the effect of *Blonder-Tongue* from a "knock-out blow" to a gentle jab at the multiplicity of patent litigation. The Seventh Circuit ruled (A3):

> ". . . as Judge Learned Hand explained almost forty years before, '. . . [collateral] estoppel extends only to facts decided and necessary to the decision' *Irving Nat. Bank* v. *Law,* 10 F2d 721, 724 (1926). Since the *Dale* Court's judgment by its terms did not depend on the invalidity of claims not specified in that judgment, appellants are not collaterally estopped from asserting the remaining claims of the '926 patent." (Parenthesis by Seventh Circuit)

The Seventh Circuit's above quoted narrow definition of the subject matter expressly and necessarily adjudicated in the earlier case conflicts with recent decisions of the Fourth[1],

---

[1] *Technograph Printed Circuits, Ltd.* v. *Martin-Marietta Corp.,* 474 F2d 798, 801 (4th Cir. 1973).

Seventh,[1] and Tenth[2] Circuits and the Central District of California.[3] The conflict referred to appears from the following summaries.

A. The Seventh Circuit's Own *Blonder-Tongue* Decision Broadly Defines The Subject Matter Of The Estoppel Resulting From A Prior Holding Of Invalidity

In *Univ. of Illinois Foundation* v. *Blonder-Tongue Labs., Inc.*, 465 F2d 380, 381 (7th Cir. 1972), *cert. den.*, 93 S.Ct. 559 (1972) the court affirmed per curiam a dismissal of a patent infringement action predicated on the defense of collateral estoppel and adopted the opinion of the district court reported at 334 F.Supp. 47 (N.D. Ill. 1971). In that decision Judge Hoffman had ruled as follows (p. 51):

> "Finally, plaintiff asserts that the *Winegard* decision is not dispositive because plaintiff did not allege in that case the infringement of claims numbered 6, 7, and 8 of the Isbell patent. The defendant in that case, however, put the whole patent in issue by praying for a *decree adjudging the patent to be null and void,* and the District Court and Court of Appeals for the Eighth Circuit so adjudged."

The *Winegard* decree referred to in the preceding quotation had merely "dismissed on its merits" (A56) an action for patent infringement in which the answer included a defense of patent invalidity and in which the plaintiff had not

---

[1] *Univ. of Illinois Foundation* v. *Blonder-Tongue Labs., Inc.*, 465 F2d 380 (1972), *affirming*, 334 F.Supp. 47 (N.D. Ill. 1971); *Technograph Printed Circuits, Ltd.* v. *Methode Electronics Inc.* (A 59) (7th Cir. 1973), *affirming*, 174 USPQ 297 (N.D. Ill. 1972).

[2] *Blumcraft of Pittsburgh* v. *Architectural Art Mfg., Inc.* 337 F.Supp. 853 (D. Kan. 1972), *aff'd per curiam*, 459 F2d 482 (10th Cir. 1972).

[3] *Technograph Printed Circuits, Ltd.* v. *Packard Bell Electronics Corp.*, 290 F.Supp. 308 (C.D. Cal. 1968).

charged infringement of claims 6, 7 and 8.[1] Thus in *Blonder-Tongue* the Seventh Circuit without insisting on compliance with the strict requirements of common law collateral estoppel extended the preclusive effect of the prior judgment to three patent claims which were admittedly not infringed and had not been expressly and necessarily invalidated in the decree of the prior case. The conflict between the decision sought to be reviewed and the earlier Seventh Circuit's affirmance of Judge Hoffman's application of *Blonder-Tongue* estoppel was virtually admitted by the remark (465 F.2d p. 381):

> "Recent decisions of other courts are consistent with the decision of the district court in this case.[3]"

B. In The *Technograph* Cases A Holding Of Invalidity Expressly Restricted To A Few Patent Claims Has Been Held To Preclude Litigation Of The Other Patent Claims In The Fourth And Seventh Circuits And In The Central District Of California

Three decisions applying collateral estoppel to claims not previously expressly invalidated are based on *Technograph Printed Circuits, Ltd.* v. *Bendix Aviation Corp.*, 218 F.Supp. 1 (D. Md. 1963), *aff'd*, 327 F2d 497 (4th Cir. 1964), *cert. den.*, 379 U.S. 826, 85 S.Ct. 53 (1964). In that case only a limited number of claims in each of the three patents was "declared on" and a more limited number was used as "example" claims. The Maryland district court had declared invalid only the example claims of the patents and had denied the declaratory judgment counterclaims without prejudice (218 F.Supp. pp. 5, 58).

---

[1] *Univ. of Illinois Foundation* v. *Winegard Co.*, 271 F.Supp. 412, 413, 415 (S.D. Iowa 1967), *aff'd*, 402 F2d 125 (8th Cir. 1968), *cert. den.*, 394 U.S. 917, 89 S.Ct. 1191 (1969).

"[3] *Bourns, Inc. et al.* v. *Allen Bradley Co., et al.*, No. 70 C 1992 N.D. Ill. (Feb. 7, 1972); *Blumcraft of Pittsburgh* v. *Architectural Art Mfg., Inc.*, 337 F.Supp. 853 (C.D. Kansas, 1972)."

The estoppel effect of that decision was first examined in *Technograph Printed Circuits, Ltd.* v. *Packard Bell Electronics Corp.*, 290 F.Supp. 308 (C.D. Calif. 1968) which was an action generally charging infringement of the same three patents. Anticipating the impending demise of the mutuality requirement, the California district court dismissed the entire litigation *inter alia* because the plaintiff had lost its test case against Bendix in Maryland and (290 F.Supp. p. 312):

> ". . . the exhaustive record, and the long and meticulous opinion of Judge Watkins, dispel any question but that the Maryland case was tried diligently, was considered thoroughly and exhaustively by the trial court, that the plaintiffs had their 'days in court,' and suggest to the thoughtful reader that *if there was anything else in favor of validity concerning any claim in any of the patents in addition to what the plaintiffs produced, counsel would have done so.*"

Thus collateral estoppel was applied to claims which had been deliberately and expressly left unadjudicated in the first action.

The extent of the estoppel resulting from the *Bendix* case came up again in *Technograph Printed Circuits, Ltd.* v. *Martin-Marietta Corp.*, 474 F2d 798, 801, 802 (4th Cir. 1973). The court affirmed the dismissal of a patent infringement action on the authority of *Blonder-Tongue* for the following reasons:

> "We turn to the next requirement of *Blonder-Tongue:* that the issues in both proceedings be identical. In *Bendix,* the district court held that claims 4, 5, 10, 14, 15 and 16 of the '697 and certain claims of '165 and '960 were invalid for obviousness and anticipation. 218 F.Supp. 1, 31, 58. In the present appeal, no issue is raised concerning '165 or '960. Plaintiffs claim only that claims 4 and 10-14 inclusive of '697 were infringed by the defendants. Although it appears that the validity

> **of claims 11, 12 and 13 of '697 were not specifically mentioned as being invalid in *Bendix*, an *examination of those claims shows that they were dependent on claim 10, which was held invalid in Bendix.* Also, the trial court's opinion states that the parties here conceded that the issues in suit were identical to the issues decided against plaintiffs in *Bendix* (340 F.Supp. 423, 425), and this is not contested on appeal. Accordingly, the requirement of *Blonder-Tongue* that the issues be identical in both proceedings has been complied with."[1]**

In *Technograph Printed Circuits, Ltd.* v. *Methode Electronics, Inc.*, (A59) (7th Cir. 1973) the Seventh Circuit agreed with the Fourth Circuit's decision in the *Martin-Marietta* case just discussed. The opinion of the Seventh Circuit in the *Methode Electronics* case denies any conflict with the opinion of which the present petition seeks review. Such conflict, however, is manifest because the Seventh Circuit in the *Methode Electronics* case applied *Blonder-Tongue* estoppel to claims not expressly invalidated in a prior litigation, saying (A66):

> "Even without the stipulation, [relating to identity of issues] a reading of claims 10, 11, 12 and 13 demon-

---

[1] The concession referred to in the penultimate sentence of this quotation is explained as follows in footnote 13 of the petition for a writ of certiorari No. 73-147 October Term 1973:

> "In oral argument to the District Court, plaintiffs' counsel stated, as an aside, that 'the issues in this suit, your Honor, are the same as the issues in the Bendix case' (Tr., p. 139) but there was no intent to waive plaintiffs' rights to a determination on the merits of the claims not actually adjudicated in Bendix. The critical point on the issue of collateral estoppel is that the Bendix court did not in fact adjudicate claims 11, 12, and 13: 'Since the (Bendix) court's judgment by its terms did not depend on the invalidity of claims not specified in that judgment, appellants are not collaterally estopped from asserting the remaining claims of the ('697) patent.' See Bourns, A-53."

strates the complete dependence of 11, 12 and 13 upon claim 10."

Thus the Fourth and the Seventh Circuit based their holdings of collateral estoppel on a comparison of patent claims. A similar reading and comparison of the claims of the '926 Bourns patent would have shown that the claims not expressly invalidated in the *Dale* decree do not differ significantly from the claims which were so invalidated. The failure to compare the claims of the '926 patent in the holding below was apparently induced by the unduly strict interpretation of the requirements of common law estoppel.

C. The Tenth Circuit Has Applied *Blonder-Tongue* Estoppel To Patent Claims Not Previously Invalidated

Blumcraft of Pittsburgh v. *Architectural Art Mfg. Inc.*, 459 F2d 482 (10th Cir. 1972) affirmed per curiam a judgment "for the reasons stated by the district court, reported at 337 F.Supp. 853 (D. Kan. 1972)." The affirmed opinion includes the following paragraph (337 F.Supp. 858, 859):

> "Plaintiff claims a significant difference exists between the issues and scope of the South Carolina case and the issues and scope of the one at bar, in that *the mechanical patent No. 2,905,445, in this case, has all six claims contested, whereas only claims one and three were at issue in South Carolina* in addition to the design patent. This sort of claim was put at rest by Judge Hoffman on the remand of *Blonder-Tongue*, where it was pointed out the judgment in the first court held the whole patents invalid, even though all of the claims were not controverted in the lawsuit. In the case at bar, when one examines *the opinions in the South Carolina case, both in the trial and appellate courts, the final judgment referred to the validity or invalidity of the whole patents.* Moreover, the discussion by the appellate court of the obviousness of plaintiff's mechanical patent indicates their reference and contemplation of it as a

> whole as to rails, posts, and the clamp, bolts and notches for holding them in place. No separability or *savings clause as to any claims is indicated by the Fourth Circuit. The judgment of obviousness must be deemed to relate to the entire mechanical patent.*"

The five recent decisions summarized above determine the scope of estoppel in patent cases by reference to the pleadings, the nature of the invention, the patent claims involved and the opinions rendered in the earlier case. The policy of *Blonder-Tongue* cannot be effected by an unduly technical application of common law concepts of collateral estoppel. The present holding of the Seventh Circuit that collateral estoppel cannot apply to patent claims not expressly invalidated by a prior judgment if the prior "judgment by its terms did not depend on the invalidity of [those] claims" conflicts with the foregoing decisions and should be reviewed.

Question 2

The opinion below narrowed the estoppel resulting from the *Dale* case not only by resort to an unduly restrictive interpretation of common law collateral estoppel but also by misinterpreting the opinion in the *Dale* case and by attributing no importance to the fact that all of the claims of the '926 patent were put in issue by the pleadings in the *Dale* case. The Seventh Circuit ruled (A2):

> ". . . *Dale* is binding only as to the claims specifically mentioned in its judgment."

By contrast the district court had focused on the issue of patent validity as pleaded and on the general pronouncements of patent invalidity in the opinion of the Nebraska district court (A19):

> "Among other things, the court's decision says with respect to Patent No. 2,777,926: '. . . the '926 patent is held to be invalid.' 308 F.Supp. at 507.
> The pleadings in the Nebraska suit demonstrate that both the plaintiffs and the defendant were litigating the validity of the patent, not merely part of it."

The disagreement between the two lower courts involves important questions of federal law which should be laid to rest (A) to preserve *Blonder-Tongue's* vitality and (B) to preserve the public policy requiring adjudication of patent validity and complete disposition of a counterclaim for declaratory judgment of patent invalidity, *Sinclair & Carrol Co.* v. *Interchemical Corp.*, 325 U.S. 327, 330, 65 S.Ct. 1143, 1145 (1945); *Altvater* v. *Freeman*, 319 U.S. 359, 363, 63 S.Ct. 1115, 1118 (1943).

A. The Ruling Below Should Be Reversed To Preserve *Blonder-Tongue's* Vitality

If *Blonder-Tongue's* disapproval of multiple patent trials and the resulting misallocation of resources is to have any

vitality it should not permit the patentee the option of conducting a number of infringement trials equal to the number of claims in his patent. While the law permits a patent to contain plural patent claims which may be severable with respect to validity, 35 USC 253, 282, 288, these claims are merely convenient means of expressing and defining the same inventive idea in different ways. As stated in Sec. 706.03(1) of the Official Manual of Patent Examining Procedure (1973) the Patent Office (A71) "examiner should be reasonable in setting the number [of claims] to afford the applicant some *latitude in claiming his invention.*" The extent of this latitude is demonstrated by *In re Flint,* 411 F2d 1353 (CCPA 1969), which held that forty-two was not an unduly large number of patent claims for an invention identified as a spring seat.

The liberality with which the Patent Office allows numerous claims in a patent for a single invention should not be complemented by an equal liberality of the judiciary. To permit a patentee the opportunity of bringing successive law suits on different claims until each and every claim has been expressly invalidated in a decree complying with the Seventh Circuit's unduly restrictive interpretation of common law collateral estoppel would render *Blonder-Tongue* ineffective. In determining the subject matter covered by *Blonder-Tongue* estoppel the precise wording of the final decree should not be of controlling importance. The words employed in a final decree adverse to patent validity seem to be largely fortuitous as shown by a comparison of the decrees in the *Winegard* case (A56) and in the *Dale* case (App 86). Happenstance of decree draftsmanship should not be decisive in the operation of the *Blonder-Tongue* doctrine. Application of the *Blonder-Tongue* doctrine should turn on the generality of the validity issue raised in the pleadings and on the patentee's procedural, substantive and evidential opportunity to es-

tablish validity in the earlier case. The patentee should not be able to limit unilaterally the scope of the ensuing estoppel by specifying at the trial only one or a few claims as being infringed.

If the pleadings put the validity of the entire patent in issue and the particular claims specified at the trial are held invalid, that holding should ordinarily prevent further litigations on the other claims of the patent. Under these circumstances further litigation should be permitted only where the earlier decision of invalidity contains a specific savings clause of the type referred to in the passage from the *Blumcraft* case quoted on page 14 of this petition.

B. The Ruling Below Should Be Reviewed To Preserve The Public Policy Requiring Adjudication Of Patent Validity And Disposition Of A Counterclaim For Declaratory Judgment Of Patent Invalidity

It has long been an established principle that the validity of a patent is a question of public importance and should be resolved whenever possible, *Sinclair & Carroll Co.* v. *Interchemical Corp.*, 325 U.S. 327, 330, 65 S.Ct. 1143, 1145 (1945); *Hale* v. *General Motors Corp.*, 147 F2d 383 (1st Cir. 1945); *Bresnick* v. *United States Vitamin Corp.*, 139 F2d 239, 242, (2nd Cir. 1943); *Shatterproof Glass Corp.* v. *Guardian Glass Co.*, 462 F2d 1115 (6th Cir. 1972); *M.O.S. Corp.* v. *John I. Haas Co.*, 375 F2d 614 (9th Cir. 1967). The decision sought to be reviewed subverts this principle by narrowly restricting the prior general ruling of patent invalidity to the claims specifically relied on at the trial and expressly invalidated in the final decree.

A related principle is that the validity of a patent properly put in issue by a counterclaim must be disposed of and does not become moot when the infringement question is

resolved adversely to the patentee.[1] This principle is violated by the decision sought to be reviewed. That decision treats the *Dale* case as failing to dispose of the counterclaim for declaratory judgment of invalidity with respect to the patent claims which were not enumerated in the specific invalidity holding of par. 2 of the judgment.

CONCLUSION

Application of the *Blonder-Tongue* doctrine in the lower courts has resulted in a conflict about the scope of the estoppel and the elements to be considered in determining the scope of the estoppel. This petition should be granted to resolve the conflict among the Circuits and the district courts and to make clear that the technicalities of the common law rule of collateral estoppel are inconsistent with the policy objectives of *Blonder-Tongue*. The lower court's ruling erroneously restores to the patentee the opportunity for multiple litigation. It erroneously permits the patentee to rely on a different patent claim at each successive trial. It erroneously limits the scope of the *Blonder-Tongue* estoppel by narrowly interpreting the decree of dismissal with prejudice of the Amended Complaint after a trial upon pleadings which had put the entire patent in issue. It erroneously failed to compare the claims of the patent in suit and

---

[1] *Alvater* v. *Freeman*, 319 U.S. 359, 63 S.Ct. 1115 (1943); *Young* v. *John McShain, Inc.*, 130 F2d 31, 34 (4th Cir. 1942); *Sterling Aluminum Prods., Inc.* v. *Bohn Aluminum & Brass Corp.*, 298 F2d 538, 540 (6th Cir. 1962); *Kalo Inoculant Co.* v. *Funk Bros. Seed Co.*, 161 F2d 981, 991 (7th Cir. 1947), *rev'd on other grounds*, 333 U.S. 127, 68 S.Ct. 440 (1948); *Allegheny Steel & Brass Corp.* v. *Elting*, 141 F2d 148, 149, 150 (7th Cir. 1944); *Illinois Tool Works, Inc.* v. *Brunsing*, 378 F2d 234 (9th Cir. 1967); *Kawneer* v. *Pittsburgh Plate Glass Co.*, 103 F.Supp. 671 (W.D. Mich. 1952).

erroneously failed to give full effect to the opinion rendered in the earlier action which stated (A34) "the '926 patent is held to be invalid".

Respectfully,

RICHARD D. MASON
REGINALD K. BAILEY
CLEMENS HUFMANN
Attorneys for Petitioner
Beckman Instruments, Inc.

Of Counsel
MASON, KOLEHMAINEN,
RATHBURN & WYSS
20 North Wacker Drive
Chicago, Illinois 60606